

**HUNTINGDONSHIRE DISTRICT COUNCIL**

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| <b>Title/Subject Matter:</b> | Community Infrastructure Levy Spend Allocation   |
| <b>Meeting/Date:</b>         | Cabinet – 18th July  |
| <b>Executive Portfolio:</b>  | Executive Councillor for Housing, Planning and Economic Development – Councillor Ryan Fuller |
| <b>Report by:</b>            | Clara Kerr, Planning Services Manager  |
| <b>Ward(s) affected:</b>     | All  |

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**Executive Summary:**

The Community Infrastructure Levy (CIL) is a planning charge, introduced by the Planning Act 2008 as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of the area. It came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010. Huntingdonshire District Council became a CIL charging authority in May 2012.

Local authorities must spend the levy on infrastructure needed to support the development of their area. This helps to deliver across a number of the Council's Corporate Plan priorities for 2018 – 2022 but specifically:

- Support development of infrastructure to enable growth
- Improve the supply of new and affordable housing, jobs and community facilities to meet current and future need

To date CIL monies have only been allocated to deliver Huntingdon West Link Road (now called Edison Bell Way). A consideration of the potential next infrastructure projects to be funded in whole or in part by an amount of the Community Infrastructure Levy (CIL) monies received to date needs to be made.

Following liaison with partners through the Growth & Infrastructure Group, bids were invited. These have been assessed to reach a recommendation.

**Recommendation(s):**

That Cabinet:

Commits funding as detailed in 9.2 and invites the proposers of the projects detailed in 9.3 to resubmit with additional information when bids are next invited.

## **1. PURPOSE OF THE REPORT**

- 1.1 The purpose of the report is to consider the potential next infrastructure projects to be funded in whole or in part by an amount of the Community Infrastructure Levy (CIL) monies received to date.

## **2. WHY IS THIS REPORT NECESSARY/BACKGROUND**

- 2.1 The Community Infrastructure Levy (CIL) was first referred to in the Planning Act 2008 and was formally introduced through the CIL Regulations 2010 (as amended). The CIL spreads the burden of paying for infrastructure to all developments, not just major ones, as it is a requirement across all developments. Prior to the introduction of CIL, Councils were 'missing' collecting a significant proportion of obligations as S106 agreements only tended to be negotiated on larger scale sites.
- 2.2 The first Huntingdonshire Developer Contributions Supplementary Planning Document (SPD) was adopted in December 2011 with the CIL Charging Schedule being approved in April 2012 by full Council and implemented with effect from 1<sup>st</sup> May 2012.
- 2.3 CIL is triggered on commencement of development and payable in line with the Council's CIL Instalment Policy. This allows between 120 days and 720 days in which to pay the full chargeable amount. This policy is to aid viability and deliverability on site. Sites with approved phasing enable each phase to be considered as a separate chargeable development and so the instalment policy applies to each phase individually too, assisting viability further.
- 2.4 CIL receipts were slow for the first few years due to development commencing that had been approved prior to the introduction of the Charging Schedule. Receipts have nearly doubled each year reaching circa £10m. It should be noted that the last year or so has seen a peak in CIL receipts due to the timing of instalment payments of strategic site phases but this should not be seen as the likely future average.
- 2.5 CIL legislation has gone through a continual period of development and change. The proposals recommended in the CIL review and the current amendment regulations laid before parliament in June 2019 look to address the outcome of many of those changes and provide the LPA with more flexibility on delivery of infrastructure.
- 2.6 It is important to note that whilst CIL has been a target for some in the development industry, there is no evidence to suggest that CIL is stalling development and, indeed, the evidence on figures suggests to the contrary. The requirement for infrastructure to support new development remains and CIL continues to be implemented across the country with government enabling and directing local authorities to obtain contributions by charging a Community Infrastructure Levy on new development, and by negotiating section 106 planning obligations with a developer.
- 2.7 Up to 5% of CIL receipts each financial year may be retained for administration costs. 15% - 25% of CIL receipts – the "meaningful proportion" – are passed to Parish/Town Councils in line with the amended CIL Regulations and the Localism Act 2011 and the total amount transferred to Parish/Town Councils has increased each year in line with receipt increases.

- 2.8 It has been estimated that the Local Plan to 2036 could result in CIL receipts of between £79.2m and £108.4m – the range is due to the development already permitted. This equates to an average of just under £4m a year. This has taken account of provision of 40% affordable housing, which does not pay CIL if relief is applied for, but does not taken account of any other reliefs or exemptions that could be applied for or reductions in charge due to offsetting in accordance with Regulation 40. This is a very simplified calculation and should be treated with caution but helps to provide an indication of the infrastructure delivery that could be supported.
- 2.9 Members have only approved spend of CIL on the Huntingdon West Link Road (HWLR) (now called Edison Bell Way) to date. The CIL expenditure to date on this project is just over £3m. This now covers the element of road costs outstanding. Any further payments required will relate to Compulsory Purchase Order compensation.
- 2.10 The delivery of Edison Bell Way has been a key project for the Council to unlock circa 6.35 hectares of land west of Huntingdon's town centre at a key entrance to the town by Huntingdon Railway Station. In order to open up this area of redundant and under-used industrial land and reduce traffic flows on a section of the ring road, the Council worked with Cambridgeshire County Council to deliver the new link road to stimulate regeneration and unlock land for housing and retail development that will complement and enhance the vitality and viability of the town centre and the town as a whole. As a result the site is now under construction and permission or approvals pending will result in a mixed use development comprising circa 400 dwellings in a mix of houses and apartments, a Care Home, Sheltered Retirement apartments, a food store and flexible commercial units with associated open space, landscaping and parking.
- 2.11 There is approximately £15m of CIL receipts now currently available for spend on further infrastructure projects. However, it should be noted that there is a planned review of the Developer Contributions SPD underway and it is anticipated there will be further Government announcements in relation to CIL. Both of these factors could see CIL receipts for the Council decrease in coming years.

### **3. OPTIONS CONSIDERED/ANALYSIS**

- 3.1 As part of the work of the Growth and Infrastructure Group, infrastructure project bids were invited from stakeholders. The cost of the projects submitted is significantly higher than the available CIL receipts.
- 3.2 Projects submitted were therefore assessed against four criteria in order to produce a ranking score. The categories were strategic fit (how it supports growth), deliverability and risks, benefits and outputs, and extent of match funding being provided.
- 3.3 The scoring was intended to allow comparison of the schemes submitted but there was recognition that other factors would be considered in any discussion of the projects that would inform the final decision, including those linked to the HDC corporate priorities, capital spend programme, Infrastructure Delivery Plan (IDP) and supporting the needs of future growth and its locality.
- 3.4 The levy is intended to focus on the provision of new infrastructure and should not be used to remedy pre-existing deficiencies in infrastructure provision

unless those deficiencies will be made more severe by new development. It can be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure, if that is necessary to support development.

3.5 In assessing spend, the potential support a number of strategic infrastructure projects may need in the near future should be noted i.e. if all the money received to date is allocated to other projects, it may not be possible to provide these strategic projects with the funding they may need over the next few years to be delivered. These include:

- A14 Legacy Highways England Huntingdon Masterplan
- A428 Black Cat to Caxton Gibbet Improvements
- A141 Huntingdon
- St Ives Transport Studies
- East West Rail Bedford to Cambridge opportunities
- Huntingdon Third River Crossing
- Prospectus for Growth for each market town
- St Ives and Huntingdon Bus Station Quarters Redevelopment Proposals
- Great Fen Visitor Centre - NB: on HDC prospectus for CA
- Edison Bell Way (outstanding CPO claims)

3.6 Information on the bids submitted can be seen in Appendix 1

#### **4. COMMENTS OF OVERVIEW & SCRUTINY**

4.1 The Panel received the Community Infrastructure Levy (CIL) Spend Allocation Report at its meeting on 9th July 2019.

4.2 A Member was concerned that the request for the Alconbury Special School was £15m which exceeds the total CIL funds that have been raised. The Executive Councillor reassured Members that, whilst the project is worthwhile, the Council will only commit to a certain level of spend. It has been accepted that the school is required but that it will also accommodate pupils from outside of Huntingdonshire.

4.3 The Panel asked about the process for the submission of bids, in particular the deadline for bids to come forward and the timescale in which those bids will be considered and a decision made. In response, it was explained that the process is not bureaucratic and that there are no formal timescales. In addition, Members were reassured that there will be numerous opportunities for supporters of projects to apply for CIL funds.

4.4 A Member raised a further query on how the current bids were sourced and the role of the Growth and Infrastructure Group. The Panel was informed that Parish Councils have approached the Council at their own volition and submitted their bids. An example of this was the Godmanchester Doctors Surgery, where the Parish Council approached the Council for £107,341 of CIL funds. In this instance if they did not secure CIL then the whole project would fall. In regards to the Growth and Infrastructure Group, the Group received bids and then decided which ones should proceed as Cabinet are the final decision makers on CIL spend.

4.5 Concern was raised that there are Members of the Council, particularly new Members, who do not understand the CIL process. The Panel was informed

that the Government has a useful website on CIL and that Council Officers can provide a training session on CIL, if required.

4.6 It was suggested that for clarity, particularly on the rejected projects, the Council should indicate what level of funding it would be willing to contribute, if the project is altered to meet all requirements.

4.7 The Panel supports the ethos adopted in the management of CIL funds and suggests that Cabinet approves the recommendation of the report.

## **5. KEY IMPACTS / RISKS**

5.1 The key impact from not considering the CIL spend will be the potential for certain infrastructure projects not being delivered and match funding lost.

## **6. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION**

6.1 Projects bids submitted will be notified of the outcome of the decision made and next steps as appropriate.

## **7. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND / OR CORPORATE OBJECTIVES**

7.1 This helps to deliver across a number of the Council's priorities for 2018 -2022 but specifically:

- Support development of infrastructure to enable growth
- Improve the supply of new and affordable housing, jobs and community facilities to meet current and future need

## **8. LEGAL IMPLICATIONS**

8.1 Regulation 59 (1) of the Community Infrastructure Levy Regulations 2010 (as amended) require a charging authority to apply CIL to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area. It may also, under Regulation 59 (3) support infrastructure outside its area where to do so would support the development of its area.

8.2 Passing CIL to another person for that person to apply to funding the provision, improvement, replace, operation and maintenance of infrastructure is also permitted under Regulation 59 (4).

8.3 Section 216 (2) of the Planning Act 2008 as amended by Regulation 63 of the Community Infrastructure Regulations 2010 (as amended) stated that infrastructure" includes~~and is therefore not limited to~~:

- (a) roads and other transport facilities,
- (b) flood defences,
- (c) schools and other educational facilities,
- (d) medical facilities,
- (e) sporting and recreational facilities,
- (f) open spaces

8.4 The levy may not be used to fund affordable housing.

## **9. REASONS FOR THE RECOMMENDED DECISIONS**

- 9.1 The projects identified have been considered in terms of how they support growth), deliverability and risks, benefits and outputs and extent of match funding being provided. The current stage of development the project has also been considered. Detail of key issues is noted in Appendix 1.
- 9.2 The following projects are considered to have submitted detailed projects, including details of funding (including match funding where necessary) and are recommended to receive CIL funding:

| Project   | CIL funding |
|---|-------------|
| • Godmanchester Doctor's Surgery Expansion                          | £107,341    |
| • Godmanchester Mill Weir area green space improvements             | £200,000    |
| • Little Paxton Zebra crossing at Mill Lane near Marble White Court | £26,000     |
| • Ramsey 3G pitch   | £120,000    |
| • St Ives Outdoor Centre gym  | £50,000     |
| • St Ives Park extension  | £80,000     |
| • St Neots Improvements to path/cycle route at Riverside Park       | £445,000    |
| • St Neots Market Square Bicycle parking facilities                 | £10,000     |
| • Warboys Village hall  | £200,000    |

9.3 Of the other bids submitted, the following are recommended to be invited to resubmit when bids are invited next with more project detail, supporting evidence and match funding, including from the local Town/Parish Council. While these schemes are potentially worthy of CIL support, in their current format they lack crucial evidence and have not been suitably developed to provide the necessary level of detail to warrant support at this time.

| Project  |
|--|
| <ul style="list-style-type: none"> <li>• Buckden LCWIP early stage action plan work</li> </ul> |
| <ul style="list-style-type: none"> <li>• Alconbury Special School</li> </ul>                   |
| <ul style="list-style-type: none"> <li>• Transport initiatives</li> </ul>                      |
| <ul style="list-style-type: none"> <li>• St Ives Harrison Way Road Improvements</li> </ul>     |
| <ul style="list-style-type: none"> <li>• St Neots Secondary School</li> </ul>                  |
| <ul style="list-style-type: none"> <li>• Warboys Additional play equipment</li> </ul>          |
| <ul style="list-style-type: none"> <li>• Warboys Additional sports pitch and MUGA</li> </ul>   |
| <ul style="list-style-type: none"> <li>• Warboys Sports ground drainage equipment</li> </ul>   |

Where Projects demonstrate and provide evidence that they have a significant role to play in addressing key infrastructure requirements to meet the needs of future growth the Cabinet may consider a further round of CIL spend within the financial year

## 10. LIST OF APPENDICES INCLUDED

Appendix 1 – Huntingdonshire Infrastructure Project Bids

### BACKGROUND PAPERS

Huntingdonshire Infrastructure Delivery Plan

<http://www.huntingdonshire.gov.uk/media/2694/infrastructure-delivery-plan.pdf>

Huntingdonshire Infrastructure Delivery Plan – Infrastructure Schedule

<http://www.huntingdonshire.gov.uk/media/2693/infrastructure-schedule.pdf>

Huntingdonshire Infrastructure Delivery Plan Addendum

<http://www.huntingdonshire.gov.uk/media/2861/infrastructure-delivery-plan-addendum.pdf>

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